LEE METAL GROUP LTD
REG. No. 198205439C

Second Quarter and Half Year Financial Statements And Dividend Announcement

1(a)(i) The Board of Directors of Lee Metal Group Ltd is pleased to announce the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2015.

INCOME STATEMENT FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015

		2nd Qtr ended 30 Jun			Half Year ended 30 Jun		
		2015	2014	+/(-)	**2015**	2014	+/(-)
	Notes	**$'000**	$'000	%	**$'000**	$'000	%
Turnover		**122,466**	144,640	(15.3%)	**254,230**	249,414	1.9%
Other operating income	A	**158**	915	(82.7%)	**243**	1,183	(79.5%)
Changes in inventories of finished goods and work-in-progress, raw materials and consumables used and finished goods purchased		**(99,034)**	(122,458)	(19.1%)	**(207,541)**	(205,410)	1.0%
Employee benefits expense	B	**(6,189)**	(5,703)	8.5%	**(12,349)**	(11,056)	11.7%
Depreciation and amortisation	C	**(2,804)**	(2,494)	12.4%	**(5,544)**	(4,852)	14.3%
Insurance, freight and transportation	D	**(1,577)**	(813)	94.0%	**(2,526)**	(1,334)	89.4%
Rental and utilities	E	**(2,362)**	(2,210)	6.9%	**(4,412)**	(4,077)	8.2%
Repair and maintenance	F	**(1,153)**	(1,131)	1.9%	**(2,232)**	(2,058)	8.5%
Other operating expenses	G	**(3,726)**	(2,706)	37.7%	**(8,245)**	(5,664)	45.6%
Financial expense	H	**(771)**	(1,030)	(25.1%)	**(1,539)**	(1,879)	(18.1%)
Financial income	I	**117**	209	(44.0%)	**339**	416	(18.5%)
Share of results of associate	J	**(8)**	11,200	n.m	**(215)**	11,177	n.m
Profit before tax		**5,117**	18,419	(72.2%)	**10,209**	25,860	(60.5%)
Income tax expense		**(786)**	(1,216)	(35.4%)	**(1,789)**	(2,500)	(28.4%)
Profit attributable to equity holders of the Company		**4,331**	17,203	(74.8%)	**8,420**	23,360	(64.0%)

STATEMENTS OF COMPREHENSIVE INCOME FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015

	2nd Qtr ended 30 Jun			Half Year ended 30 Jun		
	2015	2014	+/(-)	**2015**	2014	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
Profit attributable to equity holders of the Company	**4,331**	17,203	(74.8%)	**8,420**	23,360	(64.0%)
Other comprehensive income (Item that may be reclassified subsequently to profit or loss):-						
- Foreign currency translation reserve	**(492)**	(267)	84.3%	**427**	(354)	n.m
Total comprehensive income attributable to equity holders of the Company	**3,839**	16,936	(77.3%)	**8,847**	23,006	(61.5%)

1(a)(ii) **Notes to the Income Statement**

	2nd Qtr ended 30 Jun			Half Year ended 30 Jun		
	2015	2014	+/(-)	**2015**	2014	+/(-)
A) Other operating income comprises the following:	**$'000**	$'000	%	**$'000**	$'000	%
- Impairment loss on trade receivables reversed	**5**	-	n.m	**5**		n.m
- Net gain in foreign exchange	**107**	273	(60.8%)	**-**	-	n.m
- Gain on disposal of property, plant and equipment, net	**-**	3	(100.0%)	**10**	24	(58.3%)
- Commission income	**6**	63	(90.5%)	**16**	72	(77.8%)
- Rental income	**35**	512	(93.2%)	**70**	1,023	(93.2%)
- Sundry income	**5**	64	(92.2%)	**142**	64	121.9%
	158	915	(82.7%)	**243**	1,183	(79.5%)

B) Employee benefits expense increased by 8.5% in 2nd Quarter 2015 and 11.7% in half year ended 30 Jun 2015 mainly due to increase in headcount and foreign worker levy following higher value-added activities in the Fabrication & Manufacturing business.

C) Depreciation and amortisation expense increased by 12.4% in 2nd Quarter 2015 and 14.3% in half year ended 30 Jun 2015 as the Group expands its value-added capacity in the Fabrication & Manufacturing business.

D) Insurance, freight and transportation increased by 94.0% in 2nd Quarter 2015 and 89.4% in half year ended 30 Jun 2015 due to increase in business volume in Fabrication & Manufacturing business as well as transportation cost incurred for Steel Merchandising business.

E) Rental and utilities increased by 6.9% in 2nd Quarter 2015 and 8.2% in half year ended 30 Jun 2015 mainly due to additional storage space for increased inventory level in Singapore and higher utilities in line with higher value-added activities in the Fabrication & Manufacturing business. In addition, higher rental cost also contributed by Steel Merchandising business.

F) Repair and maintenance increased by 1.9% in 2nd Quarter 2015 and 8.5% in half year ended 30 Jun 2015 due to higher costs incurred for upkeeping and servicing of more machineries and motor vehicles.

	2nd Qtr ended 30 Jun			**Half Year ended 30 Jun**		
	2015	2014	+/(-)	**2015**	2014	+/(-)
	$'000	$'000	%	**$'000**	$'000	%
G) Other operating expenses include:						
- Outsourcing of labour	**1,394**	673	107.1%	**2,805**	1,321	112.3%
- Worker's dormitories and related costs	**410**	349	17.5%	**801**	685	16.9%
- Tools and consumables	**373**	308	21.1%	**677**	604	12.1%
- Insurance	**302**	304	(0.7%)	**688**	625	10.1%
- Bank charges	**38**	127	(70.1%)	**80**	230	(65.2%)
- Trade commission	**98**	66	48.5%	**224**	121	85.1%
- Professional fees	**163**	128	27.3%	**272**	248	9.7%
- Travelling	**170**	173	(1.7%)	**322**	315	2.2%
- Printing and stationery	**104**	105	(1.0%)	**282**	264	6.8%
- Net (gain)/loss in foreign exchange	**-**	-	n.m	**963**	340	183.2%
- Other miscellaneous expenses	**674**	473	42.5%	**1,131**	911	24.1%
	3,726	2,706	37.7%	**8,245**	5,664	45.6%

H) Financial expense decreased by 25.1% in 2nd Quarter 2015 and 18.1% in half year ended 30 Jun 2015 due to lower trade financing quantum in Steel Merchandising business.

I) Financial income decreased by 44.0% in 2nd Quarter 2015 and 18.5% in half year ended 30 Jun 2015 following a full repayment of loan by its associate in April 2015.

J) Share of results of associate in both 2nd Quarter 2014 and half year ended 30 Jun 2014 of $11.2m were due to the share of profit of our joint venture executive condominium project, Austville Residences, which obtained Temporary Occupation Permit (TOP) in April 2014.

K) n.m means not meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION

		Group		**Company**	
		30.06.2015	31.12.2014	**30.06.2015**	31.12.2014
ASSETS	**Notes**	**$'000**	$'000	**$'000**	$'000
Non-current assets					
Property, plant and equipment		**50,349**	49,589	**4,320**	4,515
Investment property		**1,983**	2,004	**-**	-
Investment in subsidiaries		**-**	-	**20,490**	20,490
Investment in associate		**11,767**	11,983	**-**	-
Club memberships		**548**	579	**220**	227
Deferred tax assets		**1,038**	1,038	**-**	-
		65,685	65,193	**25,030**	25,232
Current assets					
Inventories	1	**111,626**	139,616	**-**	-
Trade receivables		**82,733**	85,166	**-**	-
Other receivables and deposits		**1,434**	637	**11**	11
Prepayments	2	**19,895**	6,450	**21**	23
Forward exchange contracts		**596**	596	**-**	-
Due from subsidiaries (non trade)		**-**	-	**2,224**	11,083
Loans to associate	3	**-**	10,784	**-**	-
Fixed deposits		**21,751**	42,946	**21,301**	23,303
Cash and bank balances		**57,309**	46,101	**1,722**	853
		295,344	332,296	**25,279**	35,273
Total assets		**361,029**	397,489	**50,309**	60,505

	Notes	Group 30.06.2015 $'000	Group 31.12.2014 $'000	Company 30.06.2015 $'000	Company 31.12.2014 $'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	1	**12,172**	43,234	**35**	24
Bills payable to banks (secured)	1	**125,886**	117,258	**-**	-
Other payables and accruals	4	**9,891**	14,260	**345**	441
Advance payment from customers	1	**1,639**	5,618	**-**	-
Provision for onerous contracts		**6,645**	6,645	**-**	-
Hire purchase creditors		**4,494**	4,506	**-**	-
Bank term loans (secured)		**3,370**	3,370	**-**	-
Income tax payable		**6,149**	6,292	**516**	557
		170,246	201,183	**896**	1,022
Net current assets		**125,098**	131,113	**24,383**	34,251
Non-current liabilities					
Hire purchase creditors		**8,090**	10,314	**-**	-
Bank term loans (secured)		**5,413**	7,098	**-**	-
Deferred tax liabilities		**1,199**	1,221	**260**	281
		14,702	18,633	**260**	281
Total liabilities		**184,948**	219,816	**1,156**	1,303
Net assets		**176,081**	177,673	**49,153**	59,202
Equity attributable to equity holders of the Company					
Share capital		**46,473**	46,473	**46,473**	46,473
Retained earnings		**135,435**	137,454	**2,680**	12,729
Foreign currency translation reserve		**(5,827)**	(6,254)	**-**	-
		176,081	177,673	**49,153**	59,202

1(b)(ii) Notes to the Statements of Financial Position

1) Inventories decreased by $28.0m due to lower stock position in Steel Merchandising business. Correspondingly, trade payables and advance payment from customers also decreased but offset by increase in bills payable to banks.

2) Prepayments increased by $13.4m mainly due to prepayments relating to plant and equipment for the two new factories at 1 and 3 Tuas Avenue 8 and purchase of inventories.

3) Loans to associate reduced by $10.8m due to a full repayment of loan and interest by its associate in April 2015.

4) Other payables and accruals decreased by $4.4m mainly due to lower operating expenses accrued in half year ended 30 Jun 2015 compared to 31 December 2014.

1(b)(iii) Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.06.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
133,750	-	125,134	-

Amount repayable after one year

As at 30.06.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
13,503	-	17,412	-

Details of collateral

The Group's bills payable and bank term loan are secured by the following:

(a) corporate guarantees given by the Company and certain subsidiaries to the banks;

(b) letters of negative pledges on the assets of the Company and certain subsidiaries, with the exception of property, plant and equipment under hire purchase arrangements;

(c) a deed of charge and assignment of inventories, charge over fixed deposits and floating charge over trade receivables; and

(d) the bank term loans are secured by legal mortgages over the Group's leasehold investment properties with net book value of $2.0m (31.12.2014: $2.0m) and property, plant and equipment with net book value of $13.7m (31.12.2014: $14.3m).

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015

	Notes	2nd Qtr ended 30 Jun		Half Year ended 30 Jun	
		2015	2014	**2015**	2014
		$'000	$'000	**$'000**	$'000
Operating activities					
Profit before tax		**5,117**	18,419	**10,209**	25,860
Adjustments for:					
Amortisation of club memberships		**15**	15	**31**	31
Depreciation of property, plant and equipment		**2,778**	2,170	**5,491**	4,203
Depreciation of investment properties		**11**	309	**22**	618
Gain on disposal of property, plant and equipment, net		**-**	(3)	**(10)**	(24)
Interest expense		**771**	1,030	**1,539**	1,879
Interest income		**(117)**	(209)	**(339)**	(416)
Net fair value (gain)/loss on forward exchange contracts		**-**	(164)	**-**	478
Foreign currency translation adjustments		**(975)**	480	**(439)**	(224)
Share of results of associate		**8**	(11,200)	**215**	(11,177)
Operating cash flows before changes in working capital		**7,608**	10,847	**16,719**	21,228
(Increase)/decrease in:					
Inventories		**(4,029)**	11,190	**27,990**	(35,307)
Trade receivables		**9,281**	(8,821)	**2,433**	(2,402)
Other receivables, deposits and prepayments		**5,774**	155	**(14,242)**	35
Increase/(decrease) in:					
Trade payables		**(3,675)**	(10,103)	**(31,062)**	(17,844)
Other payables and accruals		**(1,122)**	(2,013)	**(8,348)**	(5,759)
Cash flows used in operations		**13,837**	1,255	**(6,510)**	(40,049)
Interest paid		**(771)**	(1,030)	**(1,539)**	(1,879)
Interest received		**117**	209	**339**	416
Income taxes paid		**(1,955)**	(3,849)	**(1,954)**	(3,822)
Net cash flows from/(used in) operating activities	5	**11,228**	(3,415)	**(9,664)**	(45,334)
Investing activities					
Purchase of property, plant and equipment		**(3,193)**	(2,769)	**(6,341)**	(5,228)
Proceeds from disposal of property, plant and equipment		**-**	6	**132**	126
Repayment of/(increase in) loans to associate		**10,784**	(180)	**10,784**	(355)
Net cash flows from/(used in) investing activities	6	**7,591**	(2,943)	**4,575**	(5,457)
Financing activities					
Increase in fixed deposits - pledged		**-**	(1,053)	**-**	(5,235)
(Decrease)/increase in bills payable to banks (secured)		**(627)**	12,132	**8,628**	55,180
Repayment of bank term loans		**(843)**	(843)	**(1,685)**	(1,685)
Repayment of hire purchase		**(1,119)**	(1,009)	**(2,236)**	(2,076)
Dividends paid on ordinary shares		**(10,440)**	(12,813)	**(10,440)**	(12,813)
Net cash flows (used in)/from financing activities	7	**(13,029)**	(3,586)	**(5,733)**	33,371
Net decrease in cash and cash equivalents		**5,790**	(9,944)	**(10,822)**	(17,420)
Effect of exchange rate changes on cash and cash equivalents		**493**	(743)	**835**	(143)
Cash & cash equivalents at beginning of the period		**72,327**	107,843	**88,597**	114,719
Cash & cash equivalents at end of the period	8	**78,610**	97,156	**78,610**	97,156

1(c)(i) Notes to the Consolidated Statement of Cash Flows

5) Net cash flows from operating activities was $11.2m in 2nd Quarter 2015 compared to net cash flows used in operating activities of $3.4m in 2nd Quarter 2014. This was mainly due to decrease in trade receivables and other receivables, deposits and prepayments. Net cash flows used in operating activities was $9.7m for half year ended 30 Jun 2015, a decrease of $35.6m from $45.3m in the half year ended 30 Jun 2014. This was mainly due to decrease in inventories.

6) Net cash flows from investing activities was $7.6m in 2nd Quarter 2015 compared to net cash flows used in investing activities of $2.9m in 2nd Quarter 2014. For the half year ended 30 Jun 2015, net cash flows from investing activities was $4.6m compared to net cash flows used in investing activities of $5.5m in the half year ended 30 Jun 2014. These were due to repayment of loans to associate.

7) Net cash flows used in financing activities in 2nd Quarter 2015 increased by $9.4m, from $3.6m to $13.0m. Net cash flows used in financing activities in the half year ended 30 Jun 2015 was $5.7m compared to net cash flows from financing activities of $33.4 in the half year ended 30 Jun 2014. These were mainly due to decrease in bills payable to banks.

8) Cash and cash equivalents as at 2nd Quarter comprised the following:-

	2015	2014
	$'000	$'000
Cash and bank balances	**57,309**	65,727
Fixed deposits	**21,751**	37,114
Less: Fixed deposits pledged	**(450)**	(5,685)
	78,610	97,156

Fixed deposits of $0.5m (2014: $5.7m) were pledged with banks to secure credit facilities for subsidiaries, are restricted in use and may not be withdrawn without the banks' prior approval.

1(d)(i) STATEMENTS OF CHANGES IN EQUITY

GROUP	**Share Capital**	**Translation Reserve**	**Revenue Reserve**	**Total Equity**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 01.01.2015	**46,473**	**(6,254)**	**137,455**	**177,674**
Changes in equity for the period:				
Total comprehensive income for the period	**-**	**427**	**8,420**	**8,847**
Dividends on ordinary shares	**-**	**-**	**(10,440)**	**(10,440)**
Balance as at 30.06.2015	**46,473**	**(5,827)**	**135,435**	**176,081**
Balance as at 01.01.2014	46,473	(7,344)	120,963	160,092
Changes in equity for the period:				
Total comprehensive income for the period	-	(354)	23,360	23,006
Dividends on ordinary shares	-	-	(12,813)	(12,813)
Balance as at 30.06.2014	46,473	(7,698)	131,510	170,285

COMPANY	**Share Capital**	**Revenue Reserve**	**Total Equity**
	$'000	**$'000**	**$'000**
Balance as at 01.01.2015	**46,473**	**12,729**	**59,202**
Changes in equity for the period:			
Total comprehensive income for the period	**-**	**391**	**391**
Dividends on ordinary shares	**-**	**(10,440)**	**(10,440)**
Balance as at 30.06.2015	**46,473**	**2,680**	**49,153**
Balance as at 01.01.2014	46,473	12,161	58,634
Changes in equity for the period:			
Total comprehensive income for the period	-	2,643	2,643
Dividends on ordinary shares	-	(12,813)	(12,813)
Balance as at 30.06.2014	46,473	1,991	48,464

1(d)(ii) Changes in Share Capital

Share Capital	Number of shares	$'000
Ordinary share issued & fully paid		
Balance as at 01.01.2015 & 30.06.2015	**474,551,093**	**46,473**

There was no movement in the issued and paid-up capital of the Company since 31 December 2014.

There were no outstanding convertibles as at 30.06.2015 (30.06.2014: Nil)

The Company has no treasury shares as at 30.06.2015 (30.06.2014: Nil)

2 Audit

The financial statements have not been audited nor reviewed by the company's auditor.

3 Auditor's Report

Not Applicable.

4 Accounting Policies

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the current financial year as with those in the most recently audited financial statements as at 31 December 2014.

5 Changes in Accounting Policies

In the current year, the Group has adopted all the new/revised Financial Reporting Standards which took effect for annual periods beginning on or after 1 January 2015. The adoption of the above FRS did not result in any substantial change to the Group's accounting policies.

6 Earnings per ordinary share of the group

	2nd Qtr ended 30 Jun		Half Year ended 30 Jun	
	2015	2014	**2015**	2014
Earnings per ordinary share for the period based on net profit attributable to equity holders:-				
(a) On weighted average number of ordinary shares in issue	**0.91cents**	3.63cents	**1.77cents**	4.92cents
(b) On a fully diluted basis	**0.91cents**	3.63cents	**1.77cents**	4.92cents

Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of ordinary shares issued during 2Q15 and 1H15 of 474,551,093 shares (2Q14 and 1H14: 474,551,093 shares).

There is no difference between the basic and diluted earnings per share.

7 Net asset value per ordinary share

	Group as at:		Company as at:	
	30.06.2015	31.12.2014	**30.06.2015**	31.12.2014
Net asset value per share based on existing issued share capital as at end of the respective dates	**37.10cents**	37.44cents	**10.36cents**	12.48cents

Net asset value is computed based on the number of shares in issue as at 30 June 2015 & 31 December 2014 of 474,551,093 shares.

8 Performance Review

For 2nd Quarter 2015, Group turnover decreased by 15.3% to $122.5m from $144.6m in the corresponding quarter last year. The lower turnover was attributable to Steel Merchandising business which decreased by 65.8% to $18.7m from $54.7m, but partially offset by Fabrication & Manufacturing business which increased by 15.5% to $103.8m from $89.9m. The decrease in turnover was contributed by weaker steel prices for both businesses and lower volume in Steel Merchandising business, but partially offset by higher volume in Fabrication & Manufacturing business.

For the half year ended 30 Jun 2015, Group turnover increased by 1.9% to $254.2m from $249.4m in the corresponding period last year. The higher turnover was mainly attributable to Fabrication & Manufacturing business which increased by 21.9% to $216.3m from $177.5m, but offset by Steel Merchandising business which decreased by 47.3% to $37.9m from $71.9m. The increase in turnover was contributed by higher volume in Fabrication & Manufacturing business but offset by lower volume in Steel Merchandising business and weaker steel prices in both businesses.

Group gross profit margin as percentage of turnover in 2nd Quarter 2015 and half year ended 30 Jun 2015 was 19.1% and 18.4% respectively, higher than the corresponding period last year of 15.3% and 17.6%. These were mainly due to higher contribution from our Fabrication & Manufacturing business.

The increase in value-added tonnage delivered in the Fabrication & Manufacturing business has resulted in costs increase in the following areas:

Employee benefits expense;
Depreciation and amortisation;
Insurance, freight and transportation;
Rental and utilities;
Repair and maintenance; and
Other operating expenses

The Group’s profit attributable to equity holders of the Company was $4.3m in 2nd Quarter 2015 and $8.4m for the half year ended 30 Jun 2015, a decrease of 74.8% from the corresponding quarter last year of $17.2m and 64.0% from the corresponding period last year of $23.4m. Excluding prior year's share of profit for $11.2m in its first joint venture executive condominium project, Austville Residences, Group's profit would have been decreased by 28.3% in 2nd Quarter 2014 and 31.1% for the half year ended 30 Jun 2014.

Cashflow

For the half year ended 30 Jun 2015, net cash flows used in operating activities amounted to $9.7m. This was mainly due to decrease in inventories. Net cash flows from investing activities amounted to $4.6m. This was mainly due to repayment of loans to associate. With net cash flows used in financing activities of $5.7m, cash and cash equivalents as at 30 Jun 2015 amounted to $78.6m, down from $88.6m as at 1 January 2015.

Balance Sheet

The Balance Sheet remained strong. The net asset value per share as at 30 Jun 2015 was 37.10 cents, slightly down from 37.44 cents as at 31 December 2014. This was following payments for FY2014 special and final dividends of $9.5m in May 2015, and FY2015 interim dividend of $0.9m in June 2015.

9 Variance from Prospect Statement

No variance from previous statement.

10 Prospect Statement

The Group will continue to be vigilant and selective in managing its Steel Merchandising business due to weak steel prices and foreign exchange risks.

In Singapore, the construction demand remains healthy with the Singapore government investing more in public sector infrastructure projects. Business costs are expected to rise while competition will intensify. The Group is focused on beefing up its value added capacity to meet market demand.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim paid on 24 June 2015	Interim payable on 16 September 2015
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim paid on 24 June 2014	Interim paid on 16 September 2014
Dividend Type	Cash	Cash
Dividend Rate	0.20 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(c) Date payable

16 September 2015.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed on 3rd September 2015 after 5.00 p.m. for the purpose of determining shareholders' entitlement to the interim dividend of 0.50 cent per ordinary share.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., of 333 North Bridge Road KH Kea Building #08-00, Singapore 188721 up to 5.00 p.m. on 3rd September 2015 will be registered to determine Members' entitlements to such dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares of the Company as at 5.00 p.m. on 3rd September 2015 will be entitled to the such proposed dividend. In this respect, the said dividends will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

14 Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

We, Lee Lin Poey and Lee Heng Thiam, being two directors of Lee Metal Group Ltd, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 2nd Quarter ended 30 June 2015 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary
5 August 2015